



**Request for Bid  
For**

**Model Year 2016 Trucks, Vans and SUVs**

Issued by:

IOWA DEPARTMENT OF TRANSPORTATION  
Purchasing Section  
Proposal No. 15008

**Letting Date:  
October 9, 2015**

Must be submitted no later than 1:00 PM Central Time  
Proposals received after this date will be rejected

***For information about this notice, and during this procurement,  
interested persons shall contact only:***

Zach Gillen, Purchasing Agent  
800 Lincoln Way  
Ames, Iowa 50010  
Phone: 515-239-1347  
Fax: 515-239-1538  
E-Mail: [zachary.gillen@dot.iowa.gov](mailto:zachary.gillen@dot.iowa.gov)

Issued addenda will be posted to internet website:  
<http://www.iowadot.gov/purchasing>

		Date Bids Due: October 9, 2015	Time of Bid Opening: 1:00 P.M.	Bid Opening Location: 800 Lincoln Way, Ames, IA	
Proposal Number: <b>15008</b>	Description: Model Year 2016 Trucks, Vans & SUVs				
Contract to Begin: November 9, 2015	Date of Completion: November 8, 2016	Proposal Guaranty Amount: N/A	Performance Bond (Y/N) N	Liquidated Damages: N/A	
Purchasing Agent: Zach Gillen		E-mail Address: zachary.gillen@dot.iowa.gov	Phone: 515-239-1347	Fax: 515-239-1538	
Company Name:				Federal Tax ID:	
Street Address:		City:	State:	Zip Code:	
Supplier Contact (type or print)	E-mail Address:		Phone:	Fax:	
Supplier agrees to sell items/services at the same prices, terms and conditions to any other Iowa state agency. Regent or Political Subdivision upon request. Please check Yes or No. <input type="checkbox"/> Yes <input type="checkbox"/> No			Are you an Iowa Targeted Small Business? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**GENERAL INFORMATION**

This bid proposal includes the Bid Response cover page, Schedule of Prices, Standard Terms and Conditions, Supplemental terms (if any), specifications, mailing label and all other information needed to prepare a bid response. Information in the "Bid Response" above must be typed or completed in ink, signed, and returned in a flat style envelope along with any other information required in the bid proposal prior to the bid opening date and time. Please use the furnished mailing label, or label the bid response as "Iowa Department of Transportation, proposal number & letting date" on the outside of the return envelope. Bidders may personally deliver, mail, or select a carrier that ensures timely delivery. **Faxed or e-mail bids will not be accepted.**

If required, each bid response must be accompanied by a proposal guaranty in an accepted form, in the sum indicated above. Refer to the Standard Terms and Conditions for the accepted forms in which the proposal guaranty requirement may be fulfilled. **Bids lacking a required proposal guaranty will not be considered for award.** If the intended awarded bidder fails to enter into a formal contract within fifteen (15) days after award is made for any reason on their part, the proposal guaranty may be retained by the State.

**PROPOSAL STATEMENT**

The entire contents of this Proposal, Addendums to the Proposal, Specifications, Supplemental Terms and Conditions, Standard Terms and Conditions, and Schedule of Prices shall become part of the contract.

We promise to furnish all materials, equipment and/or services specified, in the manner and the time prescribed, at prices hereinafter set out.

We certify that we have not, either directly or indirectly, entered into any agreement or participated in any collusion or otherwise taken any action in restraint of free competition; that no attempt has been made to induce any other person or firm to submit or not to submit a bid; that this bid has been independently arrived at without collusion with any other bidder, competitor, or potential competitor; and that this bid has not been knowingly disclosed prior to the opening of bids to any other bidder or competitor.

We certify that all materials, equipment and/or services proposed meet or exceed the specifications and will be supplied in accordance with the entire contents of this proposal.

We promise to complete the contract within the contract period, or pay any liquidated damages, if stipulated, for each calendar day as set forth in the bid documents.

Signed \_\_\_\_\_ Date \_\_\_\_\_



**Iowa Department of Transportation  
Standard Terms and Conditions For  
Bid Proposals/Contracts  
-FORMAL-**

*Formal* is the procurement process required by Iowa law when the estimated, aggregate amount of the purchase equals or exceeds \$50,000.

The entire contents of this bid proposal shall become a part of a contract or purchase order. In case of a discrepancy between the contents of the bid documents, the following items listed by descending order shall prevail:

- Addendums to the bid proposal
- Bid Proposal-
  - Schedule of Prices
  - Specifications
  - Plans and Drawings
- Supplemental Terms and Conditions
- Standard Terms and Conditions

(Example - if a statement in the specifications contradicts a statement in the Standard Terms and Conditions, the statement in the specifications shall apply)

**Preparation of Bid Response:** All bid responses must address all aspects of the proposal including clearly answering all questions within the proposal. Bid responses must be typed or completed in ink and submitted on the forms supplied by the Iowa DOT.

**Bid responses must be signed and received prior to the bid opening date and time as indicated on the Bid Response cover page or bid opportunity. The signed, submitted quotation or bidder's proposal shall become the official bid response to be considered for award.**

**No email, fax or web link bid responses will be accepted. Bid Responses must be signed, sealed and delivered in person or by a mail courier that ensures timely delivery.**

---

**A. Bid Proposal**

1. **Bid Opening:** Bid openings are made public and conducted at the Iowa DOT, Ames complex unless otherwise specified. Proposals received after the time of the bid opening will be returned unopened and considered non-compliant.
2. **Communications:** Questions concerning this proposal should be directed to the purchasing agent listed on the bid proposal. Inquiries can be written, phoned, or faxed. In all cases, written communication will take precedence over verbal communication
3. **Proposal Guarantee:** If required, the bid response page will indicate the amount required to be included in the bid response. A Proposal Guarantee can be supplied in one of the following ways: **(1)** Certified check or credit union certified share draft, cashier's check, or bank draft, drawn on a solvent bank or credit union. Certified checks and certified share drafts shall be drawn and endorsed in the amount indicated. Checks or drafts shall be made payable either to the Iowa Department of Transportation (Iowa DOT) or to the bidder. If payable to the bidder, the check or draft shall be endorsed without qualifications to the Iowa DOT by the bidder or an authorized agent. **(2)** An insurance or surety company may be retained to provide a bond in fulfillment of the proposal guarantee requirement. A properly completed and signed copy of the Proposal Guarantee (*Form 131084*) must accompany the bid. **The Iowa DOT's Proposal Guarantee form must be used; no other forms or formats will be accepted.**
4. **Pricing and Discount:** Unit prices shown on the bid/response shall be quoted as the price per unit (e.g., gal., case, each, etc.) as stated in the bid proposal. If there is a discrepancy between the unit bid prices, extension, or total amount of bid, the unit prices shall prevail. Unless otherwise indicated, prices shall be firm for the duration of the contract or purchase. Discounts for early payment are allowed, but not considered in award of the contract.

5. **Acceptance/Rejection:** The Iowa DOT reserves the right to accept or reject any or all bids and to waive irregularities or technicalities, provided such waiver does not substantially change the offer or provide a competitive advantage to any supplier(s). The Iowa DOT also reserves the right to accept that bid which is deemed to be in the best interests of the state. Any unauthorized changes, additions, or conditional bids including any ties to another bid or proposal or any reservations about accepting an award or entering into a contract, may result in rejection of the bid. Bids must remain available for award for thirty (30) days from date of bid opening.
6. **Bid Results & Disclosure:** Bid tabulations will be posted on the Iowa DOT website at [www.iowadot.gov/purchasing](http://www.iowadot.gov/purchasing) under the *Bid Award* link referencing the proposal number with an award recommendation indicated. At the conclusion of the selection process, the contents of all received bid responses will be placed in the public domain and be open to inspection by interested parties, according to state law. Trade secrets or proprietary information that are recognized as such and are protected by law may be withheld if clearly identified as such in the proposal.
7. **Quality:** All material shall be new and of first quality. Items which are used, demonstrators, refurbished, obsolete, seconds, or which have been discontinued are unacceptable without prior written approval by the Iowa DOT.
8. **Recycled Content:** The Iowa Code encourages purchase of products and materials with recycled content, including but not limited to paper products, oils, plastic products, compost materials, aggregate, solvents, and rubber products. Recycled items or alternatives must be noted in the bid response, if known.
9. **Shipping Terms:** Deliveries shall be F.O.B. Destination unless otherwise specified. All deliveries shall be accompanied by a packing slip indicating the Supplier, quantities shipped, and the purchase order number(s). All delivery charges shall be included in the bid price and paid by the Supplier. No collect C.O.D. deliveries shall be accepted. When entering into a contract, the Supplier shall notify the freight company that all freight and delivery charges are to be prepaid by the Supplier. Goods delivered to the Iowa DOT Distribution Center at 800 Lincoln Way, Ames, IA shall be received between the hours of 7:00 a.m. and 3:00 p.m. on any day except Saturday, Sunday, or a holiday. For deliveries to other Iowa DOT locations, the Supplier may contact the destination location for available times to deliver as not all Iowa DOT locations have the same business hours. The Iowa DOT will not be liable for any freight claims or unpaid freight bills arising from contract or purchase order issues.

## B. Award

The binding agreement (award) may be issued in the form a purchase order or contract or both depending on the requirements and complexity of the agreement.

1. **Method of Award:** Award shall be made to the lowest responsible, responsive bidder whose bid meets the requirements of the solicitation and is the most advantageous to the Iowa DOT unless otherwise specified. An Iowa bidder will be given preference over an out-of-state bidder when bid responses are equal in all aspects and are tied in price. By virtue of statutory authority preference will be given to products and provisions grown and coal produced within the State of Iowa.
2. **Award Protests:** Protests of award recommendations are to be addressed to the Director of Purchasing, and shall be made in accordance with paragraph 761--20.4(6)"e" of the Iowa Administrative Code.
3. **Contracts:** Successful contractor(s) may be sent either a formal Contract, Notification of Award or purchase order as confirmation of acceptance and award. Any of these binding agreements shall be for the term stated in the bid proposal or on a purchase order and may be renewed for additional period(s) under the same terms and conditions upon mutual agreement as defined. The successful bidder may not assign a contract to another party without written authorization from the Iowa DOT Purchasing Section. A service contract, including all optional renewals, shall not exceed a term of six years unless a state agency obtains a waiver of this provision pursuant to rule 11-118-11(3).
4. **Payment Terms:** The Iowa DOT typically pays properly submitted vendor invoices within thirty (30) days of receipt, providing goods and/or services have been successfully delivered, installed or inspected (if required), and accepted. Invoices presented for payment must be only for quantities received by the Iowa DOT and must reference the purchase order number to be submitted for processing.

5. **Default:** Failure of the Supplier to adhere to specified delivery schedules or to promptly replace rejected materials shall render the Supplier liable for all costs in excess of the bid price when alternate procurement is necessary. This shall not be the exclusive remedy and the Iowa DOT reserves the right to pursue other remedies available to it by law or under the terms of the binding agreement.
6. **Default:** Failure of a Contractor other than a Supplier to meet any specified project completion deadline shall render the Contractor liable for all costs incurred by the Iowa DOT that were: a) necessary to meet said deadline; or b) necessary to complete said project after said deadline. This shall not be the exclusive remedy and the Iowa DOT reserves the right to pursue other remedies available to it by law or under the terms of the agreement.

### C. General

1. **Administrative Rules:** For Additional details on the rules governing the actions of the Iowa DOT Purchasing Section, refer to 761 IAC, Chapter 20, Iowa Administrative Code, entitled "Procurement of Equipment, Materials, Supplies and Services".
2. **Affirmative Action:** The Contractor (and also subcontractor, vendor or supplier) is prohibited from engaging in discriminatory employment practices forbidden by federal and state law, executive orders and rules of the Iowa Department of Management, pertaining to equal employment opportunity and affirmative action. Contractor may be required to have on file a copy of their affirmative action program, containing goal and time specifications. Contractors doing business with Iowa in excess of \$5,000 annually and employing 50 or more full time employees may be required to file with the Iowa Department of Management a copy of their affirmative action plan. Failure to fulfill these non-discrimination requirements may cause the contract to be canceled and the contractor declared ineligible for future state contracts or subject to other sanctions as provided by law or rule.
3. **Applicable Law:** The contract shall be governed under the laws of the State of Iowa. The contractor shall at all times comply with and observe all federal and state laws, local laws, ordinances, and regulations which are in effect during the period of a contract and which in any manner affect the work or its conduct. Any legal action relating to a contract shall only be commenced in the Story County, Iowa, District Court or the United States District Court for the Southern District of Iowa.
4. **Conflict of Interest:** No state or county official or employee, elective or appointive shall be directly or indirectly interested in any contract issued by the Iowa DOT, see Code of Iowa 314.2.
5. **Debarment and Vendor Suspension:** By submitting a proposal, the contractor is certifying that it and its principals and/or subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by the State of Iowa or any Federal department or agency.
6. **Equal Opportunity:** Firms submitting bids must be an "Equal Opportunity Employer" as defined in the Civil Rights Act of 1964 and in Iowa Executive Order Number Thirty-four.
7. **Infringement:** Goods shall be delivered free of the rightful claim of any third party by way of infringement. Contractor shall indemnify and save harmless the State of Iowa and the Iowa DOT against all claims for infringement of, and/or royalties claimed under, patents or copyrights on materials and equipment furnished under this bid.
8. **Records Audit:** The contractor agrees that the Auditor of the State of Iowa or any authorized representative of the state, and where federal funds are involved, the Comptroller General of the U.S. Government, shall have access to and the right to examine, audit, excerpt, and transcribe any directly pertinent books, documents, papers, and records of the contractor relating to orders, invoices, or payments of a contract or purchase order.
9. **Targeted Small Businesses:** The Iowa DOT seeks to provide opportunities for women and/or minority small business enterprises. To apply for certification as an Iowa Targeted Small Business, contact the Iowa Department of Inspection and Appeals (515-281-5796). Contractors shall take documented steps to encourage participation from Targeted Small Businesses for the purpose of subcontracting and supplying of goods or services or both.
10. **Taxes:** Prices quoted shall not include state or federal taxes from which the state is exempt. Exemption certificates will be furnished upon request.
11. **Termination:**
  - **Termination Due to Lack of Funds or Change in Law**  
The Iowa DOT shall have the right to terminate this Contract without penalty by giving thirty (30) days written notice to the vendor as a result of any of the following:
    - Adequate funds are not appropriated or granted to allow the Iowa DOT to operate as required and to fulfill its obligations under contract.
    - Funds are de-appropriated or not allocated or if funds needed by the Iowa DOT, at the

Iowa DOT's sole discretion, are insufficient for any reason.

- The Iowa DOT's authorization to operate is withdrawn or there is a material alteration in the programs administered by the Iowa DOT.
- The Iowa DOT's duties are substantially modified.

Following a 30 day written notice, the Iowa DOT may terminate a binding agreement in whole or in part without the payment of any penalty or incurring any further obligation to the Supplier. Following termination upon notice, the Supplier shall be entitled to compensation upon submission of invoices and proper proof of claim for goods and services under contract up to and including the date of termination.

**State of Iowa  
Supplemental Terms and Conditions  
For  
Proposal Number 15008  
Model Year 2016 Trucks, Vans and SUVs**

Sealed bids will be received until 1:00 P.M., October 9, 2015 by the Iowa Department of Transportation, at its office in Ames, Iowa, for Request for Bid Number 15008.

**Purpose**

The purpose of this Request for Bids (RFB) is to solicit bids from qualified Vendors to provide the goods and/or services identified on the RFB for the Lead Agency and any Participating Agencies as identified below with the Lead Agency being the Iowa Department of Transportation. The Lead Agency and/or its participating agencies intends to award a contract(s) beginning and ending on the dates listed on the RFB cover sheet, and at the sole discretion of the Lead Agency. Any contract(s) resulting from the RFB shall not be an exclusive contract.

**Agencies Participating in this Request for Bid**

Iowa Department of Transportation	(DOT)
Regents	(REG)
Iowa State University	(ISU)
University of Iowa	(UI)
University of Northern Iowa	(UNI)

**Alternatives or Exceptions**

Any equipment being offered as an alternative to the specified make/model must be submitted on the enclosed form "Bidder's Request for Alternatives or Exceptions." The form must specifically state the requested alternative and be accompanied by adequate supporting information to evaluate the request.

The "Bidder's Request for Alternatives or Exceptions" form must be received in sufficient time **prior** to the bid opening to evaluate and respond with the appropriate action. It is suggested that any requests for alternatives be submitted either by e-mail or fax immediately upon receipt of the proposal in order to receive full consideration. Fair treatment to all vendors shall be the primary concern in evaluation of requests for proposed alternates, particularly those submitted just prior to the bid opening. **Do not submit "Bidder's Request for Alternative or Exceptions" with your bid response.**

**Preparation of Bid Responses**

Bids will only be accepted on makes of vehicles that can be serviced by Iowa and bordering state franchised dealerships of the manufacturer's vehicle being bid. Any dealer who submits a Bid Response must be a licensed franchised dealer for each manufacturer's vehicle being bid by that dealership's location. If they have other brands at another location then the bid should come from that dealership's location. As per Iowa Code 322.3 Paragraph 1. Only signed proposals, submitted on forms furnished by the Iowa Department of Transportation will be considered, and the bidder will be assumed to have familiarized themselves with the requirements of any and all special provisions by reference made a part of these specifications. Any unauthorized changes in or additions to the proposal form, including any reservations, will be considered sufficient grounds for rejection.

**Filing Proposal**

The proposal must be received in a sealed envelope using the template provided. Bidder shall provide in this sealed envelope, the original One (1) Paper copy and One (1) set of digital copies on a USB Thumb Drive or CD of their bids in the sealed envelope.

The proposal shall be received by the Iowa Department of Transportation's Purchasing Section in Ames, Iowa, prior to the time for the opening of bids.

In space provided, bidder shall denote manufacturer's name, brand name, model number, and any other applicable information to assist in identifying the item the vendor proposes to supply.

**Bid Price**

In the column marked "Pkg, Code, STD or NA", please provide the specific equipment or package order codes or sales code numbers. If they are included in the package you are bidding, write the "Package Code or Series". If not available write "NA", do not leave any cells blank. Reasonable care has been given to insure vehicles are available from most manufacturers that meet specifications. Please do not intentionally bid vehicles or equipment that does not meet specifications.

Units shall be a current model under standard production by the manufacturer. Units are to be furnished complete with standard equipment and accessories as listed in the manufacturer's printed literature for the model and equipment package as bid. All equipment and options must be factory installed if available or unless otherwise specified in proposal provided. Fleet 'delete' or other actions that alter retail equipment packages are not acceptable.

**Separate Bids**

If the bidder wishes to quote prices on more than one make or model for an item, the bidder shall make a copy of the blank specification workbook and submit it as a separate bid response noted as an alt1 bid.

**Firm Prices**

Unless otherwise specified, prices are to be firm for at least a 120 day period. Bidders are asked to state a longer firm price period, if possible. It is the intent of the State to place all purchase orders for known requirements within 30 days from the contract award.

**Delivery Charges (FOB Destination)**

The cost of each vehicle bid shall include all related transportation costs for the vehicle to be delivered to the Dealer from the Manufacturer and from the Dealer to the DOT or Regents.

**Surcharges**

There will be no surcharges allowed to be added to bids at any time during the contract period.

**Discounts**

Quantity discounts or discounts for early payment shall not be considered prior to award.

**Manufacturer's Rebate**

If, as a result of this RFB, an agency of the State of Iowa becomes eligible for a manufacturer's authorized rebate, the full amount of the rebate shall pass to the agency without reservations by the bidder. If the rebate stipulates specific requirements for eligibility (such as order dates, delivery dates, etc.), the bidder shall, to the best of the bidder's ability, assist the agency in meeting the requirements.

**Ties and Reservations**

No ties and reservations by the bidders are permitted on this proposal.

**Infringement**

Contractor warrants the goods to be sold shall be delivered free of the rightful claim of any third party by way of infringement.

**Catalogs and Specifications**

Accepted low bidders may be required to supply Catalogs after the letting, specifications sheets, interior and exterior color charts, or other literature giving detailed information of the item(s). The items shall be identified in the catalog, specification sheet, or literature by model name or number. Modifications or deviations from printed literature or accessory items not covered by printed literature shall be described in a written statement by model name or number. All items listed as standard shall be furnished.

**Colors - Exterior & Trim**

The colors for exterior paint and interior trim shall be specified on purchase order. Colors will be selected from standard factory combinations listed in literature and fleet manuals. If special paint is specified in the specifications, vehicle price shall include the cost of the special paint. Trim material shall be as specified.



## Decals

Dealer decals or plaques are not to be affixed to vehicles purchased by the State of Iowa. State will bill dealers for removal of dealer decals.

## Contract Award

It is the intent of the Iowa DOT to award the contract to the responsible bidder whose submitted quotation is the most advantageous to the Iowa DOT, cost and other factors considered. Other factors include, but are not limited to: meeting or exceeding mandatory requirements, proposed staffing, and meeting required time schedule. The successful bidder(s) shall receive a contract from the Iowa DOT that will contain each item won by that bidder for all participants included in this RFB. Those participants are the Iowa DOT, University of Iowa, University of Northern Iowa and Iowa State University.

## Contract Period

The successful bidder(s) will be awarded a one (1) year contract and involve current production model year vehicles. If the production model year ends prior to the end of the contract period the vendor may; by mutual agreement between vendor and state, provide newer and most current production of the same make and model at the same (or discounted) price for the remainder of the contract term. The contract between the State of Iowa and the Offeror shall be a combination of the specifications, terms and conditions of this RFB, Offeror's response and any written clarifications or changes made in accordance with the provisions herein. **This contract may be renewed for one (1) additional year upon mutual consent of all parties.**

## Evaluation of bids and Life Cycle Costing (LCC)

It is the intent of the State of Iowa to award a contract to the bidder(s) whose bid results in the lowest total cost during the period of ownership of the vehicle(s) purchased. In determining the LCC of a motor vehicle, the costs shall be determined on the basis of the bid price, the resale value and operating costs (fuel) based on a usable life of five (5) years and 75,000 miles.

For the purpose of this procurement, the following contract award formula may be used:

$$\text{LCC} = \text{B} + (\text{G}/\text{MPG}) - (\text{R} * 0.7473)$$

LCC = Life Cycle Cost, Contract Award  
B = Base bid  
G = Projected Fuel Expenditure  
MPG = Miles per Gallon (EPA Highway - Gas)  
R = Resale Value (where applicable), adjusted to present value.  
0.7473 = Present Value Factor.

The formula is predicated upon the use of the following definitions, criteria, and resources:

1. It is assumed that vehicles will be driven 15,000 miles annually.
2. Fuel costs shall be based upon the current EPA Highway estimated miles per gallon for the vehicle bid.
3. Future gasoline prices are taken from US Energy Information Administration Annual Energy Outlook 2015. Data is located under "**Refined Petroleum Product Prices 8/**" use "**Motor Gasoline 4/**".
4. All cost data will be adjusted to present value by utilizing a discount factor of 6.0 percent per year.

<u>Year</u>	<u>Miles</u>	*	<u>Gasoline*</u>	<u>Present Value Factor</u>	=	<u>Totals</u>
2016	15,000		3.175	0.9434		44,929.43
2017	15,000		3.252	0.8900		43,414.20
2018	15,000		3.300	0.8396		41,560.20
2019	15,000		3.340	0.7921		39,684.21
2020	15,000		3.378	0.7473		37,865.69
						<b>G = 207,453.73</b>

The resale value of the vehicles bid shall be the sixty month projected used car value as published in ALG's Fleet Residuals application. The following criteria, in order, shall be used in the evaluation process of the bids as of the Letting Date, October 9, 2015 at 1:00 p.m.

1. If all vehicles bid for an item have current information published in ALG's Fleet Residual application, the State shall use that published information for the 60 month projected resale value in our Life Cycle Cost formula.
2. If the make/model year of a vehicle bid for an item has no current information published in ALG's Fleet Residual application, the State shall use the previous model year for all vehicles bid for that item and use the 48 month projected resale value in our Life Cycle Cost formula.
3. If a Dealer bids a brand new make/model that has no current or historical projected resale data, but does have fuel economy published in the current EPA Fuel Economy Guide as of the Letting Date, the State shall use only the fuel economy for all vehicles bid for that item in our Life Cycle Cost formula. If a brand new make/model has no current or historical projected resale data and also no estimated MPG published as of the Letting Date, that vehicle will be disqualified.
4. If a Dealer bids a vehicle that is a model year newer than the State has requested in the RFB and that model year has no current projected resale information available in ALG's Fleet Residual application, the State shall drop that model year by one (1) year to equal the model year requested. The State shall then start the evaluation process for all vehicles bid for that item as per above listed criteria, in that order.

### Life Cycle Costing Example

The following is a fictitious example of LCC to determine the present value of total life cycle costs.

<b>LCC</b>	<b>=</b>	<b>18,601.00 + (207,453.73/21) - (10,000 * 0.7473)</b>
B	=	Bid price: \$18,601.00
G	=	Projected Fuel Total Cost: \$207,453.73
MPG	=	EPA Highway MPG Estimate: 21 MPG
R	=	5 Year Old Resale Value: \$10,000.00
LCC	=	Life Cycle Cost, Contract Award: <b>\$21,006.75</b>

### House File 534, Section 30

Chapter 8A.311, subparagraph 19. Life cycle cost and energy efficiency shall be included in the criteria used by the department, institutions under the control of the state board of regents, the state department of transportation, the department for the blind, and other state agencies in developing standards and specifications for purchasing energy-consuming products. For purposes of this subsection, the life cycle costs of American motor Vehicles shall be reduced by five percent in order to determine if the motor vehicle is comparable to foreign-made motor vehicles. **"American motor vehicles"** includes those vehicles manufactured in this state and those vehicles in which at least seventy percent of the value of the motor vehicle was manufactured in the United States or Canada and at least fifty percent of the motor vehicle sales of the manufacturer are in the United States or Canada. In determining the life cycle costs of a motor vehicle, the costs shall be determined on the basis of the bid price, the resale value, and the operating costs based upon a useable life of five years or seventy-five thousand miles, whichever occurs first.

20. Preference shall be given to purchasing American-made products and purchases from American-based businesses if the life cycle costs are comparable to those products of foreign businesses and which most adequately fulfill the department's need. 2003 Acts, ch 145, §30; 2004 Acts, ch 1101, §5 Preferences; see also chapter 73, § 73A.21

### Required Fuel Economy: House File 534, Section 52

Chapter 8A.362, Code of Iowa contains the following statutory preference: Sec. 52. New Section. 8A.362, Fleet Management – Powers and Duties - Fuel Economy Requirements.

- b. The director, and any other state agency, which for purposes of this subsection includes but is not limited to community colleges and institutions under the control of the state board of regents, or local governmental subdivisions purchasing new motor vehicles, shall purchase new passenger vehicles and light trucks so that the average fuel efficiency for the fleet of new passenger vehicles and light trucks purchased in that year equals or exceeds the average fuel economy standard for the vehicles' model year

as established by the United States secretary of transportation under 15 U.S.C. } 2002. This paragraph does not apply to vehicles purchased for law enforcement purposes or used for off-road maintenance work, or work vehicles used to pull loaded trailers.

#### **Mercury Free Preference: House File 2362, Section 10**

It is the State's intention to give priority and preference to vehicles that are free from mercury added products. Vendors shall be responsible for notification and identification to the bid Issuing Officer of any components of the proposed vehicles that contain mercury-added products.

[455B.809 STATE PROCUREMENT](#). Notwithstanding other policies and guidelines for the procurement of vehicles, the state shall, within one year of July 1, 2006, revise its policies, rules, and procedures to give priority and preference to the purchase of vehicles free of mercury-added components taking into consideration competition, price, availability, and performance.

#### **Warranty**

The Manufacturer shall guarantee to furnish all warranty services at franchised dealers within the State of Iowa. The Manufacturer shall warrant the vehicle for 36 months 36,000 miles Bumper to Bumper with no deductible. If the manufacturer's standard retail warranty exceeds this term, the standard warranty shall apply. The warranty period shall begin on the date a vehicle is placed in service by a using agency of the State of Iowa. This warranty certificate or card shall be supplied with each vehicle delivered. The use of gasohol in gasoline powered vehicles shall not void warranty.

#### **Purchase Orders**

After the contract of the successful bidder(s) has (have) been properly executed, Purchase Orders will be issued to cover quantities, delivery dates, and destinations, etc., as per the contract. Due to cash flow and parking restrictions the following statement maybe added to some of the purchase orders.

#### **Order Acknowledgment**

Vendor shall provide the individual State Agency with a written manufacturer's acknowledgment (Vehicle Order Request Detail) of all orders within ten (10) days after the receipt of the State Agency's Purchase Order. These acknowledgments shall include all order and options codes for the vehicle(s) ordered. The printouts are to be e-mailed, mailed or faxed. They shall also provide the web site and assist in use of which will allow the orders to be tracked from the order date through delivery.

#### **Quantity**

Actual quantity of units purchased may vary. The quantity shown is the anticipated purchase. The individual State Agency reserves the right to vary the quantities at the time of order.

#### **Pre-Delivery Service**

Prior to delivery, each vehicle shall be completely serviced - unless otherwise specified. The servicing program shall include not less than the factories standard Per Delivery Inspection (PDI). Parts of this servicing program may be performed at the manufacturer's assembly plant if proper facilities are available there. Resident or non-resident contractors must perform pre-delivery and final servicing checkup, including final body clean-up, in the contractor's own shop or a facility approved by the State. Contractors shall furnish a complete servicing check list on above items with each vehicle at the time of delivery.

#### **Delivery**

Ninety calendar days are normally allowed for delivery on vehicle purchases. Vehicles are to be delivered by the contractor as designated on each purchase order, provided up to ninety days are allowed after receipt of the purchase order by the contractor.

Invoice(s), completed MCO's (Manufacturer's Certificate of Origin) and **State of Iowa Application for Certificate of Title, Form 411007 (02-10)**, and warranty documents are to accompany each unit delivered.

Dealer plates must be used when making deliveries. A manufacturer's window sticker (Monroney label) listing all factory installed equipment and options must be affixed to each vehicle at the time of its delivery to the State.

**Pre-delivery service for the DOT and Regents as outlined below:**

Prior to delivery, each vehicle shall be completely serviced at a factory authorized service center in the State of Iowa. The servicing program shall include not less than the following:

1. Permanent type antifreeze to -30 degree Fahrenheit
2. Body conditioning
3. Interior and exterior clean
4. All other manufacturer recommended inspections and tests normally performed on a new vehicle

The manufacturer's standard Pre-Delivery Inspection (PDI) form shall accompany each vehicle upon delivery, certifying preparation inspection, and road testing by the contractor prior to actual delivery. This pre-delivery checklist shall be signed by a representative of the organization performing the service inspection.

**Vehicle Titling - Please title the vehicles as listed below:**

State of Iowa DOT  
State of Iowa ISU  
State of Iowa University of Iowa  
State of Iowa UNI

**Receiving and Inspection**

Units must be delivered in accordance with the governing specification. All units will be inspected by the State agency after delivery. If the units are rejected because of deficiencies, it shall be the vendor's responsibility to:

1. Pick up the vehicle(s), make the necessary correction(s) and redeliver the vehicles(s) for re-inspection. The vendor must arrange to have the necessary work done or an approved schedule set within 96 hours (exclusive of weekends and holidays) after receipt of written notification, otherwise; The State may make the necessary corrections at the vendor's expense.
2. Should serious deficiencies be found, the State of Iowa may require vendor to pick up rejected vehicle(s) and replace it with a non-deficient unit.
3. Acceptance will occur when the vehicle is received by the designated agency in full compliance with the specifications of the order and all documentation including Invoices, Completed MCO's and Application for Title, warranty documentation, and Data Sheets (when applicable) is received by the agency.
4. If poor workmanship and/or minor deviations exist, the State may withhold up to 20% of the contract price until the vendor has made all necessary corrections. Payment will not be processed on units delivered to the State that still require servicing by the vendor. The State may withhold the full amount of the contract price if, in its opinion, the unit contains major deviations from specification.

**Payment Terms**

The ordinary processing time for payment is 30-45 days from the later of delivery or invoice; however, in accordance with Iowa Code Section 421.40, the State shall not pay claims for interest on any purchase until the balance remains unpaid sixty (60) days following receipt of the claim or the satisfactory delivery, furnishing, or performance of the services, supplies, materials, or contract, whichever date is later. Interest shall then be paid at the rate not to exceed one (1) percent per month on the unpaid amount. The bidder may indicate payment terms on the bid cover sheet in appropriate space; however, interest must not exceed that permitted by Iowa Code section 421.40

**Remedies upon Default**

Any of the following events shall constitute cause for the State to declare a Vendor in default of its obligations under this contract:

1. Non-performance of this contract
2. Failure by Vendor to make substantial and timely progress toward performance of the contract
3. Failure of items provided by Vendor to meet the specifications noted herein including delivery timeframe
4. Breach of any term of this contract

The State shall issue a written notice of default providing therein for a fifteen-day period in which Vendor shall have an opportunity to cure, provided that cure is possible and feasible.

If, after opportunity to cure, the default remains, the State may do one or more of the following:

1. Procure goods or services in substitution from an alternate source and charge the difference between the contract price and alternate price to the defaulting vendor
2. Exercise any remedy provided by law
3. Immediately terminate Agreement

Vendor shall not be considered to be in default under this agreement, if performance is delayed or made impossible by an act of God, floods, fires, strikes, and similar events; but in each such case, the delay or improbability must be beyond the control and without the fault or negligence of Vendor.

The fact that delay resulted from a sub-vendors conduct, negligence or failure to perform shall not excuse Vendor from the provisions of this contract. Should the State obtain a money judgment against Vendor as a result of a breach of this agreement, Vendor consents to such judgment being set-off against monies owed Vendor by the State under this or any other contract.

**Vendor Performance**

All contractors will be evaluated on their performance by a committee of constituent State of Iowa agencies prior to the next solicitation of bids. Evaluation criteria will include, but not be limited to the following:

1. Meeting delivery requirements as specified.
2. Providing equipment as required.
3. Providing vehicles with clean interiors and exteriors.
4. Providing complete pre-delivery service.

In addition to all remedies available under law and as contained on this proposal, the State of Iowa may exercise its right to remove any vendor from the approved vendor list for a period of up to three years for failure to meet any or all of the above criteria.

**Purchases by Political Subdivisions**

The successful bidder(s) for this bid proposal shall provide units according to the Terms and Conditions of respective contracts to political subdivisions of the State of Iowa with respective delivery schedules and additional transportation costs as applicable.

Any other State Agency or Political Subdivision who makes a purchase off an awarded contract must purchase the exact vehicle specification on that contract. Adding additional options or taking away existing line items from the contacted specifications is not allowed.

Each Commission or Political Subdivision ordering units on this proposal will issue their respective purchase orders. Invoicing will be as requested by the ordering political subdivision.



## Bidders Request for Alternatives or Exceptions (BRAE)

Letting Date: October 9, 2015

Proposal No.: 15008

BRAE form due on or before: September 28, 2015

Item: Model Year 2016 Trucks, Vans and SUVs

Spec. No.: Model Year 2016 Specifications

Request: \_\_\_\_\_

Bidder Proposes to furnish in lieu of above: \_\_\_\_\_

NOTE: The determination of acceptance of this BRAE request is only valid for the bid for which it was submitted. BRAE approvals received for this bid do not determine or set a precedent for what is acceptable in any other bid posted by the State of Iowa.

Email/Fax to:

Iowa Department of Transportation  
Purchasing Section  
Attention: Zach Gillen  
Email: zachary.gillen@dot.iowa.gov

Fax No.: 515-239-1538

Submitted By \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone No. \_\_\_\_\_

Fax No. \_\_\_\_\_

=====

DOT USE ONLY

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Reason \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Forms/bidders request for exceptions or equals form